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August 20, 2024

By Electronic Mail

Hon. Donovan W. Frank
 United States District Court
 316 N. Robert Street
 St. Paul, MN 55101
 frank_chambers@mnd.uscourts.gov

**Re: *In re: Change Healthcare, Inc. Customer Data Sec. Breach Litig.*, MDL No. 24-3108
 Coordination with Associated State Court Proceedings**

Dear Judge Frank:

On behalf of Defendants Change Healthcare Inc. (“Change”), UnitedHealth Group Incorporated, UnitedHealthcare, Inc., Optum, Inc., and Change Healthcare Solutions, LLC (collectively, “Defendants”), we write to make you aware of litigation related to the above-captioned MDL that is proceeding in state courts, primarily in Tennessee. Like the cases consolidated in the MDL, the state court litigation arises out of the February 2024 cyberattack on Change (the “Cyberattack”), and therefore the state proceedings and the MDL proceedings involve overlapping issues of fact and law. Plaintiffs in the state court proceedings also overlap with the putative classes in the cases consolidated in the MDL. For these reasons, we believe it would conserve judicial and party resources to coordinate these proceedings in order to prevent conflicting orders and minimize duplicative discovery.

In particular, we write concerning the case captioned as *Mid-South Imaging & Therapeutics, P.A. v. Change Healthcare Inc. et al.*, No. 24-0723-III (Tenn. Ch. Ct., filed Jun. 21, 2024) (“*Mid-South*”).¹ *Mid-South* alleges breach of contract, negligence, and other claims against Change, UnitedHealth Group Incorporated, and Optum, Inc., three of the entities named in the MDL proceedings, along with a fourth entity, Change Healthcare Technology Enabled Services, LLC. Similar to the MDL plaintiffs, Plaintiff in *Mid-South* alleges that it suffered harm when Change services were temporarily disrupted following the Cyberattack, as Plaintiff allegedly used Change for various medical coding and billing purposes. The issues that Defendants anticipate briefing in a motion to dismiss the *Mid-South* complaint, and the topics of anticipated discovery should any claims survive the motion to dismiss, will entirely overlap with dispositive motions and discovery in the MDL.

We are mindful of the judicial independence of state courts and respect the discretion of individual judges across the country. However, we believe that coordination would be helpful to ensure

¹ At least one other state court case arising out of the Cyberattack is currently being litigated, which also would benefit from coordination: *Eye Care Associates of Morristown, Inc. v. Change Healthcare Inc.*, No. 24-cv-00048 (Circuit Court of Hamblen County, TN, filed Apr. 18, 2024). Plaintiffs in the *Eye Care* matter have agreed to stay proceedings pending at least the issuance of a scheduling order in the MDL proceedings.

cooperation between this Court and the state courts, which would be consistent with national judicial policy and the interests of comity. See *generally* Managing Class Action Litigation: A Pocket Guide for Judges 32–34 (2d ed. 2009) (discussing coordination of state and federal litigations, including in areas like “discovery, rulings on class certification, and other procedural matters,” as well as “hear[ing] evidence and argument on motions”); Manual for Complex Litigation §§ 21.42 and 20.32 (4th ed.2007) (same); Multidistrict Litigation Manual § 9:17 (May 2023) (same). Coordination also would serve the purpose of allowing fair and efficient discovery, such as preventing witnesses from being deposed more than once, while also preventing two or more courts from deciding the same issue and making inconsistent rulings. Given Your Honor’s experience managing MDLs as a federal judge as well as state proceedings as a state court judge, we understand the Court is particularly well-positioned to coordinate with state courts overseeing litigation arising from the Cyberattack to strike the proper balance between the federal and state court litigation.

We have attached the *Mid-South* Complaint, along with a Motion to Stay Proceedings that Change filed. The Motion further sets out the benefits of coordination between the Chancery Court of Davidson County and the MDL Court. In case the Court wishes to coordinate directly with Chancellor l’Ashea Myles regarding this matter, her contact information is as follows:

Phone: 615-862-5705

Address: 1 Public Square, Suite 407, Nashville, TN 37201

We are happy to address the topic of state court cases and coordination at the upcoming status conference on September 17, 2024. Thank you very much for your attention to this matter.

Sincerely,

/s/ Allison M. Ryan

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